

# City of Detroit

## CITY COUNCIL

IRVIN CORLEY, JR.  
DIRECTOR  
(313) 224-1076

FISCAL ANALYSIS DIVISION  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 218  
Detroit, Michigan 48226  
FAX: (313) 224-2783  
E-Mail: irvin@cnci.ci.detroit.mi.us

ANNE MARIE LANGAN  
DEPUTY DIRECTOR  
(313) 224-1078

TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Fiscal Analysis Director *ICJ*  
Derrick Headd, Fiscal Staff Analyst *DH*

DATE: August 7, 2008

RE: Purchasing Contract No. 2765500 (**Recommend Approval**)

Prior to Council's summer recess, Councilmember Shelia Cockrel held Recreation contract # 2765500, a contract not to exceed \$220,000, to provide Recreational Services to the Community, not otherwise provided by the department – Northwest Community Programs, Inc., (the Northwest Activities Center). This \$220,000 contract covers Recreation Department's annual budgeted contribution for the Northwest Activity Center (NWAC). Councilmember Cockrel questioned the need for a contract in order to facilitate the transfer of funds from the department to NWAC, given the most recent Council budget action involving the Recreation Department and NWAC during Council's 2008-09 budget deliberations.

Councilmember Cockrel asked the Fiscal Analysis Division to review Council's budget action involving the Recreation Department and NWAC. Councilmember Cockrel wanted Fiscal to determine if a contract between the Recreation Department and NWAC is necessary in order for the department to extend its annual \$220,000 budgetary obligation of support for the NWAC, given the expressed intent of Council to place the NWAC under the jurisdiction of the Recreation Department.

### **Council's Official 2008-09 Budget Action involving NWAC**

It was Councilmember Cockrel's impression that the Council's action during its budget deliberations had placed the NWAC under the jurisdiction of the Recreation Department. Our review of the Council's closing resolution for the 2008-09 Budget, the official document of Council's budget action, revealed the following. In Schedule B of Council's Changes to the 2008-09 Budget, Council's action of creating a separate \$220,000 appropriation for the Northwest Activities Center in the Recreation Department's budget, moving it out of Recreation's Business Operations & Support Services appropriation, was recorded and entered in the 2008-09 Red Book by the Administration.

The language in the Council's 2008-09 Budget Closing Resolution, however, stated "...Council questions the rationale for the Northwest Activities Center to continue as a separate entity and calls on the Administration to begin discussions with the Council regarding its reorganization within Recreation Department". This language expresses the intent of Council to have the NWAC reorganized within the Recreation Department and change its status as a separate entity. The action did not change the jurisdiction of the NWA, therefore for the time being, the NWAC remains a separate entity, until the Council and the Administration come to a resolution to change the status of the NWAC. This is one of the primary factors for our basis to recommend Council's approve of the current contact.

### **Historical Basis for NWAC/City Relationship**

Thanks to JCC (Journal of City Council) pages provided to us by RAD staff (attached), on October 20, 1975 under Mayor Coleman Young's Administration, the City of Detroit acquired both the Butzel Family Center and the Jewish Community Center (now NWAC). The Council approved by a 7-0 vote the acquisition of the Jewish Community Center for \$1.38 million, attained from the 1974-75 and the 1975-76 Recreation Department Capital Budgets.

Subsequently, in a communication from Mayor Coleman Young to the Council dated December 15, 1975, regarding the Possession and Operation of the Jewish Community Center, the Mayor provided details on the newly named Northwest Family Center. The communication stated, "In January 1976, the United Jewish Charities would turn over the physical possession of their center located at 18100 Meyers Road to the City of Detroit. At that time, the City will be totally responsible for the operation and maintenance of the building and grounds." The letter further stated that due to the facility's unique hours of operation and programs and in order for the facility to legally attain the ability to receive foundation support and grants, the City established the non-profit corporation, Northwest Community Programs, Incorporated to operate the facility.

Additionally, the letter stated, "The City of Detroit will lease the facility and the premises to this corporation for \$1.00 per year, and enter into contract with this corporation to provide various types of recreation programs. The long-range goal for this corporation is to operate this center without a tax cost; however, during the development period of up to 18 months, it will be necessary for the City of Detroit to provide funds." At that time, Mayor Young request the Council to authorize the transfer of \$106,000 from the Contingency Fund to an appropriation for the start-up costs for the center and to make payments to the non-profit corporation by contract for recreational services and start-up costs. The council approved the Mayor's request 8-0. This also established the practice of passing funds from the City to NWAC by contract.

On January 26, 1976 the Council voted on a request from the Budget Department to transfer \$56,000 from the Contingency Fund to the Northwest Activities Center appropriation in order to begin the NWAC facility's operation. This was approved by a 6-3 Council vote. One of the dissenters, Councilman David Eberhard, ironically submitted the following statement, "I voted nay on the above resolution in that I believe this is an incorrect use of public funds for a private club. As a private non-profit corporation, this takes the use and programming of this city-owned facility out of the jurisdiction of the city government while we will be expected to subsidize the annual deficit." Over 30 years later, the City still provides annual funding for the NWAC.

### **Current Fiscal Arrangement of the NWAC and the City**

The arrangement set in place in 1975 is still in effect, the City has retained ownership of the Northwest Activities Center (NWAC) and leases it to its non profit entity, Northwest Community Programs (NWCP) for \$1.00 per year. The NWAC has facilities for recreational, cultural and educational activities. The recreational facilities include a swimming pool, gymnasium, outdoor tennis courts, athletic field, and indoor racquetball and squash courts. Recreational classes such as swimming, aerobics and dance are offered. NWCP manages the center on a daily basis and rents its facility and office space with both short and long term leases.

The Recreation Department has recently relocated its administrative offices from the Cadillac Tower to the Northwest Activities Center and revitalized the operations of the Northwest Activities Center. On June 9, 2006, Council initially approved a contract for the renovation of the Northwest Activities Center in the amount of \$3,600,000. Subsequently, there were three change orders for this contract

The first change order of \$2,500,000 was approved by Council September 2006 and increased the costs to \$6,100,000. Council approved the second change order for \$8,800,000 October 2006, increasing the authorized costs to \$14,900,000. The Council approved the third and final change order for \$600,000 on November 2, 2007. Thereby bringing the cost for the complete renovation of the Northwest Activities Center to approximately \$15,000,000.

After the renovation work was completed, which included the instillation of air-conditioning units on the roof and several roof repairs, it was later determined that the Northwest Activities Center was in need of a complete roof replacement. The Recreation Department then submitted a contract for \$2.5 million for the replacement of the roof.

According to its bylaws, the NWAC is to have a board consisting of 13 members, seven mayoral appointees: of which, shall be employed by the City of Detroit and have expertise in at least one of the following areas, (1) Accounting, (2) Engineering, (3) Human/Social Services, (4) Law, (5) Public Administration and (6) Recreation/Cultural. Six board positions are to be community persons recommended by the organization's Executive Director, but appointed by the Mayor. The Auditor General in his April 25, 2007 review of the NWAC reported that the actual composition of the board of NWAC includes the seven city employees and three of the six community positions are filled.

The NWAC currently receives a majority of its revenue from the City of Detroit (63.6%), as the chart below indicates.

#### **FY 2008-09 Budget Estimates for NWAC**

City of Detroit (Budget) Allocation	\$220,000
(City of Detroit) Utilities-In-Kind	\$253,000
(City of Detroit) Staff-In-Kind	<u>\$1,073,000</u>
CITY OF DETROIT REVENUE TOTAL	\$1,546,000
CITY OF DETROIT PERCENTAGE OF TOTAL REVENUE	63.6%
NWAC SHARE OF REVENUE	\$883,200
NWAC PERCENTAGE OF REVENUE	<u>36.4%</u>
TOTAL REVENUE FOR NWAC	\$2,429,200

As the chart above indicates, the city provides its annual budget allocation of \$220,000, \$253,000 in utilities payments (Utilities-In-Kind), and \$1.073 million in staffing costs for the NWAC director and several Recreation Department employees (Staff-In-Kind). This brings the annual total to \$1,546,000 for the City's share of the annual revenues for the NWAC (63.6%). According to the Auditor General's report, the NWAC could not provide any documentation that supported the Staff-In Kind costs and that the current lease agreement between the City and NWACP states that the NWACP is responsible for the utilities costs. Given these issues, we concur with the Auditor General, and his finding that the lease should accurately reflect the obligations taken on by the City in regard to the costs of the NWAC.

As we stated earlier, we recommend approval of the current contract before Your Honorable Body, given the fact that it is consistent with the past practice of the City dating back to 1976 and if the contract is not approved soon, according to the NWAC, the center may be forced to cut back on hours and layoff workers. We do further recommend that Council requests that the Law Department and RAD provide opinions on the next steps required in order for the Council and the Administration to explore the possibility of restructuring the arrangement between the City and the Recreation Department in regard to its jurisdiction and its lease agreement.

Finally, we have the following questions for the Recreation Department and NWAC:

1. Please provide a detailed accounting for the Staff-In-Kind costs budgeted for \$1,073,000 in the 2008-09 FY. How many Recreation Department employees does this category include?
2. According to the April 2007 report of the Auditor General, the current lease was set to expire June 30, 2008. What is the current status of the lease agreement between the City and the NWAC?
3. Please provide a copy of the most recent lease agreement between the City of Detroit and the NWCP?
4. Please respond to the issues raised by the Auditor General in his April 25, 2007 report (attached).

Please contact us if Your Honorable Body requires any additional information.

**Attachment 1: Auditor General's Issues and Concerns April 25, 2007**

**Attachment2: JCC Pages**

Council Divisions  
Auditor General's Office  
Auditor General's Office  
Lawrence C. Hemingway, Recreation Department  
Ron Lockett, NWAC  
Pam Scales, Budget Department Director  
Norman White, Chief Financial Officer  
Donna McAlister, Budget Department  
Kerwin Wimberly, Mayor's Office

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**Attachment 1**  
**Auditor General's April 25, 2007 Issues and Concerns**

**Issues and Concerns:**

Included in our review was an assessment of the action steps taken by NWCP to resolve several internal control weaknesses identified in the June 30, 2006 management letter prepared by the NWCP's external auditors. We found that the NWCP did not resolve the following issues:

1. Segregate the duties in the cash receipts process.  
The cash receipts and bank reconciliation processes are not segregated.
2. Amend lease to reflect the City of Detroit's obligation to pay the utility costs  
According to the terms of the current lease, the NWCP is responsible for all utilities. However, the City's Recreation Department continues to pay for the Center's utilities.

In addition to the recommendations made by the NWCP's external auditors, we found the following:

1. The NWCP does not maintain adequate documentation to support in-kind contributions

The NWCP could not provide documentation to support a total of \$0.9 million of in-kind contributions for fiscal years 2004-2005 and 2005-2006. According to NWCP staff, in-kind contributions are based on estimates and no records are kept regarding the in-kind services provided by the City.

Failure to maintain adequate support for in-kind contributions increases the risk that the in-kind contribution amounts reported on the financial statements are inaccurate.

We recommend the NWCP maintain adequate documentation for in-kind contributions.

2. The check writer for the Center's bank accounts is also the check signer.

We found that the staff person who approves purchase orders also writes the checks and is one of the authorized signers on the Center's checking accounts.

Effective controls over disbursements include the segregation of incompatible duties in preparing and authorizing checks.

Lack of adequate controls in the NWCP's check disbursement process increases the risk of fraud. Failure to segregate incompatible duties in the check disbursement process could result in a misappropriation of funds.

We recommend that the NWCP segregate the functions of the check writer and check signer.

3. The NWCP has not established formal policies for office space rentals or developed rental fee schedules.

Failure of the NWCP to establish formal policies for its office space rentals or develop market rate fee schedules increases the risk that optimal revenue will not be achieved.

We recommend the NWCP establish formal policies for office space rental which include developing fee schedules

## Attachment 2

October 22

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### Finance Department Purchasing Division

October 17, 1975

Honorable City Council:

Re: Payment to Outwater Trane Service Agency, Inc.

During the period from August 6, 1975 through August 19, 1975, the Department of Transportation, Central Administrative Offices at 1301 E. Warren experienced equipment failure on their 303-ton Trane absorption cold generator for air conditioning.

Due to the critical nature of the emergency, Outwater Trane Service, Inc., was contacted by Department of Transportation personnel, and they made necessary repairs to the equipment. Outwater Trane Service, Inc., was the installer of the equipment, and they are the only source for authorized service.

We recommend that your Honorable Body approve payment in the amount of \$5,623.00.

Respectfully submitted,  
H. MICHAEL SMOTHERS,  
Director

By Council Member Eberhard:

Resolved, That the Purchasing Division of the Finance Department be and it is hereby authorized and directed to enter into contract with the persons or firms recommended for furnishing the departments mentioned with the material, equipment, supplies or services, in amounts, kinds and at prices as listed in accordance with the foregoing communications designated as Contract or File Nos. 9497, 9502, 9543, 9643, 9736, 9742, 9760, 9769, 9776, 9810 and 9841, and further

Resolved, That renewals, extensions of, additions to, and changes in commodities and-or prices on contracts as recommended in the foregoing communications designated as Contract or File Nos. 8752 and 8704, be and the same are hereby approved, and further

Resolved, That payment in the amount of \$5,623.00 to Outwater Trane Service, Inc. for repairs to equipment of the Department of Transportation be and the same is hereby approved in accordance with the foregoing communication.

Adopted as follows:

Yeas — Council Members Browne, Cleveland, Eberhard, Henderson, Hood, Kelley, and President Levin — 7.

Nays — None.

### Budget Department

October 20, 1975

Honorable City Council:

Re: Transfer of All Appropriations for Butzel Family Center and Jewish Community Center to the Mayor's Office Budget.

The responsibility for two distinct Community Centers has been assigned directly to the Mayor's Office for the present time.

The Butzel Family Center was constructed by a combination of Federal

Grants, Library Grants and City Bonds. The City's share was budgeted in the Recreation Department Capital Accounts in 1970-71.

Similarly, a total of \$1,380,000 has been budgeted in the Recreation Capital Accounts since 1973-74 for the acquisition of the Jewish Community Center.

Since the organizational responsibility for these two centers is now within the Mayor's Office, it is our opinion that all the Capital appropriations connected with their acquisition or construction should appear where the cost center responsibility lies.

We therefore request that your Honorable Body approve transfers as designated on the attached resolution.

Respectfully submitted,  
WALTER I. STECHER  
Budget Director

Approved:

LEON ATCHINSON

Director, Recreation Department.  
By Council Member Henderson:

WHEREAS, The City Council had provided \$680,000 in the 1970-71 Recreation Department Capital budget for the Butzel Center Project, and a total of \$1,380,000 in the 1973-74, 1974-75 and 1975-76 Recreation Department Capital budgets, for acquisition of the Jewish Community Center, and

WHEREAS, The total responsibility for these projects has been transferred to the Mayor's Office, now therefore be it:

RESOLVED, That the Finance Director be and he is hereby authorized and directed to transfer all appropriations, encumbrances, and expenditures provided in the Recreation Capital Budget for both the Butzel Family Center and the Jewish Community Center to the Mayor's Office Budget, and establish accounts, make any necessary transfers, and honor vouchers in accordance with the foregoing communication and this resolution.

Adopted as follows:

Yeas — Council Members Browne, Cleveland, Eberhard, Henderson, Hood, Kelley, and President Levin — 7.

Nays — None.

### Law Department

October 13, 1975

Honorable City Council:

Re: Ulysses L. Carter vs. City of Detroit.

The Law Department has reviewed the above entitled workmen's compensation matter, the facts and particulars of which are contained in the attached memorandum.

From that review, it is our opinion that a redemption in the amount of \$13,500.00 is in the best interest of the City of Detroit.

Respectfully submitted,  
THOMAS L. WALTERS  
Assistant Corporation Counsel

should be required to notify all owners and occupiers of property within 1,000 feet of the proposed establishment instead of the usual 300 feet of notification procedure presently used by the Board of Zoning Appeals and required by State law.

The City Council's Planning Commission, therefore, recommends that the City Council approve the attached proposed amendment to section M of Ordinance 858G with the following additional provisions:

1. No new SDM or SDD license shall be permitted to be established within 1,000 feet of a similar existing license, school or church as measured from the front entrance of the proposed establishment to any part of another building which is a school, church or an establishment with an existing SDM or SDD license.

2. The Board of Zoning Appeals shall be required to notify owners and occupiers of property within 1,000 feet of the proposed SDD or SDM license.

Sincerely,  
ROBERT G. HOFFMAN,  
Director, City Planning  
Commission

Community & Economic  
Development Department

December 10, 1975

Honorable City Council:

Re: Section 62.0402 (m), governing  
SDM and SDD Licenses

On December 16, 1975, Your Honorable Body will hold a public hearing to consider a proposal to amend Section 62.0402 (m) of the Zoning Ordinance. Such amendment is proposed in order to clarify the current Ordinance insofar as the jurisdiction of the Board of Zoning Appeals is concerned when considering proposals to operate SDM (Specially Designated Merchant—sale of packaged beer and wine for consumption off the premises) and SDD (Specially Designated Distributor—sale of packaged liquor for consumption off the premises) Licensed establishments.

Section 62.0402 (m) of the Zoning Ordinance became effective November 29, 1973 under Ordinance 858-G. When this Section was first proposed, its primary purpose was to prevent concentrations of SDM and SDD Licensed establishments within any given area. It was so written as to provide the Board of Zoning Appeals the right to waive the holding of a public hearing and to allow a proposed license to operate if the Board could "certify that the location proposed is at least 500 feet distant from a church or an elementary, junior, or senior high school site". This phrasing is unclear as to whether the Board must approve a proposal if it can certify the location, or whether it can deny a proposal even if it can certify the location. The subject amendment would clarify this uncertainty and would require the Board to hold a public hearing and make a decision in

every instance. In addition, the subject amendment also provides for a review of any previously-licensed location that has been closed or otherwise not in operation for more than one year.

After careful consideration of all facts involved, including the experience gained by the Staff of the Community and Economic Development Department while sitting with the Board of Zoning Appeals during its hearings held to consider SDM and SDD proposals, it is the opinion of this Department that the proposed change would be appropriate because it would clarify the rights and duties of the Board under the present Ordinance and would provide for a right of review of previously licensed establishments.

The Community and Economic Development Department therefore recommends that Section 62.0402 (m) of Detroit's Official Zoning Ordinance be amended as proposed.

Respectfully submitted,  
RONALD J. HEWITT  
Director

#### COMMUNICATIONS

From The Mayor

December 15, 1975

Honorable City Council:

Re: Possession and Operation of the  
Jewish Community Center

In January, 1976, the United Jewish Charities will turn over the physical possession of their center located at 18100 Meyers Road to the City of Detroit. At that time, the City will be totally responsible for the operation and maintenance of the building and grounds.

Attached to this letter you will find a brief description of the types and variety of activities that we plan to operate from this location. Because the facility will be operated 7 days a week, more than 12 hours a day, because of the unusual types of activities, and most important, the legal ability to receive foundation support and grants, we have established a non-profit corporation known as Northwest Community Programs, Incorporated to operate this facility. The City of Detroit will lease the facility and premises to this corporation for \$1.00 per year, and also enter into contract with this corporation to provide various types of recreation programs. The long-range goal for this corporation is to operate this center without a tax cost; however, during the development period of up to 18 months, it will be necessary for the City of Detroit to provide funds.

We therefore request your Honorable Body to transfer the entire balance of \$106,350 from the Contingency Fund to an appropriation for the start-up cost of this facility. If the Contingency Fund has a balance of \$250,000, I would request the total for this purpose. We further request the approval of your Honorable Body



to make payments to the non-profit corporation prior to the development of a contract for recreational services and initial start-up costs.

Mr. Harvey Brookins is prepared to meet with any or all members of your Honorable Body to explain in detail any aspects of the operation of the center or the proposed budget attached to this communication. Also attached to this communication is a letter from the Community Utilization of the Jewish Community Center, Incorporated indicating their support of the program plan. Action by your Honorable Body on this transfer before your adjournment will facilitate the transition from private to public ownership of this outstanding community facility.

Respectfully submitted,  
COLEMAN A. YOUNG

Mayor

By Council Member Cleveland:

RESOLVED, That the Finance Director be and he is hereby authorized to transfer the sum of \$50,000 from Appropriation No. 94-0205 Contingencies, to Appropriation No. 38-4690, Northwest Family Center, in order to operate this facility for a period not to exceed January 31, 1976; and be it further

RESOLVED, That the Finance Director be and he is hereby authorized to honor vouchers when presented in accordance with this resolution and the foregoing communication, and be it further

RESOLVED, That the City Council neither approves nor disapproves the concept of the former Jewish Community Center as a partially private center by the adoption of this resolution and that this action is simply to maintain this center and the present program during the month of January, 1976.

Detail of Cost Necessary To Maintain

Jewish Community Center	
4 Boiler Operators	\$ 5,000
2 Building Operators I	1,720
1 Plant Supervisor	5,000
1 Administrative Assistant	2,000
1 Secretary	900
	<hr/>
	\$14,620
Benefits	5,848
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	\$20,468
Security	3,000
Rekeying and Painting	10,000
Trash	200
Cleaning	6,500
Utilities	6,000
Lawn and Snow	550
Maintenance Supplies	2,500
	<hr/>
	\$49,218

Rounded to \$50,000

Council Member Rogell moved to amend the "Detail of Cost Necessary to maintain Jewish Community Center" submitted by the Budget Department relative to the salary of 1 Plant Supervisor for one month

from \$5,000 to \$2,000, which motion prevailed as follows:

Yeas — Council Members Browne, Cleveland, Eberhard, Henderson, Rogell and President Levin — 6.

Nays — Council Members Hood and Kelley — 2.

Council Member Cleveland then moved for adoption of the resolution as amended, which motion prevailed as follows:

Yeas — Council Members Browne, Cleveland, Eberhard, Henderson, Hood, Kelley, Rogell, and President Levin — 8.

Nays — None.

Finance Department

October 21, 1975

Honorable City Council:

Re: Report of Investments for the Period July 1, 1975 through July 31, 1975.

During the period July 1, 1975 through July 31, 1975, the Finance Director purchased the par value of \$326,231,000 U.S. Treasury Securities and Certificates of Deposit at a cost of \$325,791,977.50.

In accordance with City Council resolution adopted June 25, 1975, a detailed list of investment transactions for said period is on file with the City Clerk.

Respectfully submitted,

DENNIS O. GREEN

Finance Director

By Council Member Browne:

RESOLVED, That the foregoing investment purchases in the amount of \$325,791,977.50, for the period July 1, 1975 through July 31, 1975 be approved in accordance with the detailed list on file with the City Clerk, which list is hereby made a part of this resolution.

Adopted as follows:

Yeas — Council Members Browne, Cleveland, Eberhard, Henderson, Hood, Kelley, Rogell, and President Levin — 8.

Nays — None.

Finance Department

December 16, 1975

Honorable City Council:

Re: Authority to Publish Notice of Sale, \$7,900,000 Project Notes, Third and Fourth Series 1976

The attached resolution will authorize the publication of a Notice of Sale of Project Notes in the aggregate principal amount of \$7,900,000.

Proceeds from the sale of these Notes will be used to refund Project Notes presently outstanding issued for the Neighborhood Development Programs designated Jefferson-Chalmers Area, Mich. A-4-1 and Virginia Park-Forest Park II Area, Mich. A-4-2-3 and the Myrtle-Humbolt Rehabilitation Project, Mich. R-160.

The resolution has been approved by the Corporation Counsel and I recommend its adoption by your Honorable Body.

Respectfully submitted,

DENNIS O. GREEN

Finance Director

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Committee of the National League of Cities in December of 1975, a role in which she will facilitate the election and appointment of qualified women to policy making positions and take action on issues of concern to women and all citizens; and

WHEREAS, She will ably represent Detroit and be a worthy symbol of our city on a national level; NOW THEREFORE BE IT

RESOLVED, That the City Council extends its congratulations to Erma Henderson on her election and pledges its cooperation and support to her in this role.

Adopted as follows:

Yeas — Council Members Cleveland, Eberhard, Henderson, Kelley, Mahaffey, Rogell, and President Levin — 7.

Nays — None.

\*RECONSIDERATION (No. 3), per motions before adjournment.

#### \*RECONSIDERATION

Council Member Cleveland moved to reconsider the vote by which each ordinance and resolution designated for "Reconsideration" and numbered 1 to 3 incl., was adopted.

Council Member Rogell moved to suspend Rule 23 for the purpose of indefinitely postponing the motion to reconsider, which motion prevailed as follows:

Yeas — Council Members Cleveland, Eberhard, Henderson, Kelley, Mahaffey, Rogell, and President Levin — 7.

Nays — None.

Council Member Kelley then moved that the motion to reconsider be indefinitely postponed, which motion prevailed.

The regular order was resumed.

And the Council then adjourned until Monday, January 26, 1976, to reconvene at call of the Chair.

CARL LEVIN,  
President.

JAMES H. BRADLEY,  
City Clerk.

## CITY COUNCIL

### ADJOURNED SESSION

All action of the City Council appearing herein is subject to approval of the Mayor.

Detroit, Monday, January 26, 1976

Pursuant to adjournment, the Council met at 11:40 A.M., and was called to order by the President, Hon. Carl Levin.

Present—Council Members Browne, Cleveland, Eberhard, Henderson, Hood, Kelley, Mahaffey, Rogell, and President Levin — 9.

There being a quorum present, the Council was declared to be in session.

#### RECONSIDERATION

The Clerk notified the Chair that Council Member Mahaffey had filed notice that she would move to reconsider the vote by which a resolution authorizing and directing the Finance Director to approve vouchers and draw warrants upon the proper fund in favor of Robert Madary and Millie Madary, his wife, and their attorney George L. Downing, in the proper amounts, etc., was not adopted at the Adjourned Session of January 23, 1976 (J.C.C. p. ).

Council Member Mahaffey then moved to reconsider the vote by which the above specified matter was not adopted, which motion prevailed.

Council Member Mahaffey then moved for adoption of the following resolution which is also shown in the proceedings of the Adjourned Session of January 23, 1976 (J.C.C. p. ):

"That in accordance with the foregoing communication, the offer of damages on file in the Office of the City Clerk be and is hereby authorized and approved, and,

"Be it further resolved, that the Finance Director be and is hereby authorized and directed to approve vouchers and draw his warrants upon the proper fund in favor of ROBERT MADARY and MILLIE MADARY, his wife, and their attorney, GEORGE L. DOWNING, in the proper amounts in accordance with this Resolution and the submitted offer of damages and those amounts be paid upon presentation of Satisfaction of Judgment in lawsuit number 72-217-021 OZ Wayne County Circuit Court, approved by the Law Department."

Adopted as follows:

Yeas — Council Members Browne, Henderson, Hood, Mahaffey, and President Levin — 5.

Nays — Council Members Cleveland, Eberhard, Kelley, and Rogell — 4.

\*RECONSIDERATION (No. 1), per motions before adjournment.

#### Budget Department

January 23, 1976

Honorable City Council:  
Re: Northwest Activities Center.

In accordance with directions from your Honorable Body, we are herewith submitting a proposed budget for operation of the Northwest Activities Center through June 30, 1976, and resolution transferring \$56,000 funding for the remainder of the fiscal year.

Respectfully submitted,  
WALTER I. STECHER,  
Budget Director

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By Council Member Kelley:  
rector be and he is hereby authorized  
to transfer the sum of \$56,000 from  
Appropriation No. 94-0250 Contin-  
gencies, to Appropriation No. 38-4690,  
Northwest Activities Center, in order  
to begin operation of this facility,  
and be it further

RESOLVED, that the Finance Di-  
rector be and he is hereby authorized  
to honor vouchers when presented in  
accordance with this resolution.

Adopted as follows:

Yeas — Council Members Browne,  
Cleveland, Henderson, Hood, Mahaf-  
fey, and President Levin — 6.

Nays — Council Members Eberhard,  
Kelley, and Rogell — 3.

\*RECONSIDERATION (No. 2), per  
motions before adjournment.

#### STATEMENT BY COUNCIL MEMBER EBERHARD RE:

NORTHWEST COMMUNITY CENTER  
I voted nay on the above resolution  
in that I believe this is an incorrect  
use of public funds for a private club.  
As a private non-profit corporation,  
this takes the use and programming  
of this city-owned facility out of the  
jurisdiction of the city government  
while we will be expected to subsidize  
the annual deficit.

From the Clerk

January 26, 1976

Honorable City Council:

This is to inform your Honorable  
Body that I am in receipt of the  
following self-explanatory Affidavit of  
the Director of the City Transporta-  
tion Department concerning the  
posting of signs reading "Stop for  
School Bus When Red Lights Flash"  
which was received in the Office of  
the City Clerk on Saturday, January  
24, 1976, at 4:20 P.M., in accordance  
with provisions of Ordinance No. 82-H  
which was passed on Friday, January  
23, 1976.

Respectfully submitted,

JAMES H. BRADLEY,  
City Clerk

#### AFFIDAVIT

JOHN KANTERS, being duly sworn  
and deposed says that he is the direc-  
tor of the City Transportation De-  
partment and that he has had signs  
posted at the entrances to the City of  
Detroit at and on state trunk lines  
including interstate highways, county  
roads, and major city streets. The  
signs read "Stop for School Bus  
When Red Lights Flash". The signs  
are appropriate and sufficiently legi-  
ble to give notice that operators of  
motor vehicles, when overtaking or  
meeting a school bus, must stop when  
the red lights on the school bus are  
flashing.

Further Deponent sayeth not.

JOHN P. KANTERS

Subscribed and sworn to before me  
this 24th day of January A.D., 1976.

WILLIAM H. FRANCOBY

Notary Public, Wayne County,  
Michigan

My Commission Expires: 3-1-78.

Received and placed on file.

#### \*RECONSIDERATION

Council Member Hood moved to  
reconsider the vote by which the  
resolution designated for "Recon-  
sideration" and numbered 1 and 2  
were adopted.

Council Member Rogell moved to  
suspend Rule 23 for the purpose of  
indefinitely postponing the motion to  
reconsider, which motion prevailed as  
follows:

Yeas — Council Members Browne,  
Cleveland, Eberhard, Henderson, Hood,  
Kelley, Mahaffey, Rogell, and Presi-  
dent Levin — 9.

Nays — None.

Council Member Kelley then moved  
that the motion to reconsider be  
indefinitely postponed, which motion  
prevailed.

The regular order was resumed.

And the Council then adjourned.

CARL LEVIN  
President

JAMES H. BRADLEY,  
City Clerk

## CITY COUNCIL

### (REGULAR SESSION)

All action of the City Council  
appearing herein subject to re-  
consideration and/or approval of  
the Mayor.

Detroit, Wednesday, January 28, 1976

The Council met and was called to  
order by the President, Hon. Carl  
Levin.

Present—Council Members Browne,  
Cleveland, Eberhard, Henderson, Hood,  
Kelley, Mahaffey, Rogell and President  
Levin — 9.

There being a quorum present, the  
Council was declared to be in session.

The journal of the session of Janu-  
ary 14, 1976, was approved.

#### Invocation

Heavenly Father, our hearts turn  
earnestly to You in this hour, asking  
the power of Your wisdom and counsel  
upon the deliberations of the  
men and women who guide our city's  
course: for we are in Your hands,  
and it is true that "unless the Lord  
build the house, the builders labor

# COMMUNITY & ECONOMIC DEVELOPMENT

- 3458—John E. Bell, convert alley to easement btw. Belton, Constance, Heyden & Vaughan.

# ENVIRONMENTAL PROTECTION & MAINTENANCE

- 3459—Farmer Zeke's Prize Porkers, for building encroachment at 13635 W. 7 Mi. Rd.

# POLICE

- 3460—Home Owners of Michigan Exchange, for assistance in compiling a list of vacant dwellings in each precinct.

# TRANSPORTATION

- 3461—Krainz Woods Property Owners Assn., install identifying signs in Association area at 7 Mi.-Ryan, 7 Mi.-Mound, Nevada at Mound, and Nevada at Ryan.

# COMMUNITY & ECONOMIC DEVELOPMENT AND ENVIRONMENTAL PROTECTION & MAINTENANCE

- 3462—Edward Kremkow, et al, transfer operation of newstand on public property, 1725 Woodward.

# FIRE, POLICE, RECREATION AND TRANSPORTATION

- 3463—Joint Veteran's Day Parade Committee, Inc., for annual Veteran's Day Parade, November 11, 1976.

# BUILDINGS AND SAFETY ENGINEERING, HEALTH AND POLICE

- 3464—St. Philomena Parish, permission to hold festival on parish grounds, May 14, 15 and 16, 1976.

# PLANNING DEPARTMENT AND RECREATION

- 3465—Martin E. Gluchstein, objecting to proposed plan to convert Northwest Activities Center to a private club.

# CITY ENGINEERING AND WATER

- 3466—Brown-Campbell Co., requesting to vacate sewer line and construct storage shed at 14290 Goddard Rd.

# COMMUNITY & ECONOMIC DEVELOPMENT, FINANCE ASSESSMENT DIV. OF FINANCE AND LAW

- 3467—Hydraulics & Manufacturing Inc. for establishment of an Industrial Rehabilitation district in vicinity of 6869 E. Davison.

# REPORTS OF COMMITTEE OF THE WHOLE

WEDNESDAY, FEBRUARY 11TH

Chairperson Kelley submitted the following committee reports for above date, and recommended their adoption:

# Dangerous Structures

Honorable City Council:

To your Committee of the Whole were again referred dangerous structures at various locations. After re-hearings and careful consideration of the matters, your committee recommends that action be taken as set forth in the following resolution.

Respectfully submitted,

JACK KELLEY,

Chairperson

By Council Member Kelley:

Resolved, That with reference to dangerous structures at the following locations, inasmuch as the owners or interested parties who appeared were verbally granted a period of two (2) weeks in which to properly barricade said structures, jurisdiction thereof is hereby returned to the Buildings and Safety Engineering Department:

1579-81 Brainard, 3010 West Chicago, and 95 Edmund Pl., and further

Resolved, That with reference to dangerous structures at the following locations, inasmuch as this body was informed that same have been properly barricaded, jurisdiction thereof is hereby returned to the Buildings and Safety Engineering Department:

8200 Marcus, and 2243 Maxwell, and further

Resolved, That with reference to dangerous structure at 8340-60 Second, inasmuch as said structure has already been removed, no further action is, therefore, necessary, and further

Resolved, That with reference to dangerous structure at 96 Edmund Pl., inasmuch as the representative of the Community and Economic Development Department who was present was verbally directed to have said Department properly barricade the structure, jurisdiction thereof is hereby returned to the Buildings and Safety Engineering Department.

Adopted as follows:

Yeas—Council Members Cleveland, Eberhard, Henderson, Hood, Kelley, Mahaffey, Rogell, and President Levin

— 8.

Nays — None.

# Dangerous Structures

Honorable City Council:

In accordance with Section 125.4 of the Building Code, hearings were held for the purpose of giving the owner or owners the opportunity to show cause why certain structures should not be demolished or otherwise made safe. After careful consideration of same, your committee recommends

<b>5. GENERAL FUND — ALL AGENCIES</b>		
	Decrease appropriations for Personal Services — appointees and interim classes	200,000
Adopted as follows:		
Yeas — Council Members Cleveland, Henderson, Hood, Mahaffey, Rogell, and President Levin — 6.		
Nays — Council Members Browne, and Eberhard — 2.		
<b>6. ENVIRONMENTAL PROTECTION AND MAINTENANCE</b>		
22-4734	General Revenue - EPMD - Vehicle Management (Sale of Five TMS Vehicles) - Increase Revenue	75,000
Unanimously adopted		
<b>7. NON-DEPARTMENTAL</b>		
94-0275	Prior Year's Deficit (Fire Boat appropriation closed to 1975-76 Surplus/Deficit) - Decrease Appropriation	\$630,000
Unanimously adopted		
<b>8. GENERAL REVENUE</b>		
94-4739	(Collection of Delinquent Accounts Receivable) Additional Revenue	300,000
Unanimously adopted		
<b>9. RECREATION</b>		
56-0134	Recreation (Northwest Community Center) Decrease appropriation	\$250,000
Not adopted as follows:		
Yeas — Council Members Eberhard and Rogell — 2.		
Nays — Council Members Browne, Cleveland, Henderson, Hood, Mahaffey and President Levin — 6.		
TOTAL — Items 1 thru 8		<u>\$3,263,000</u>

**SCHEDULE B**  
**1976-77 BUDGET**  
**APPLICATION OF ADDITIONAL SOURCES OF FINANCING**  
**(Appropriation Increases)**

<b>Item FIRE</b>		
26-0064	Fire Prevention and Control (39 positions)	\$1,200,000
26-0067	Physical Health (EMS: 1 unit/10 positions)	230,000
Unanimously adopted		
<b>30-0082 HISTORICAL</b>		
	Main Museum and Administration (Historical Markers)	2,000
Unanimously adopted		
<b>36-0094 LAW DEPARTMENT</b>		
	Administration and Operation (Outside Legal Counsel Service)	85,000
Unanimously adopted		
<b>52-0120 PUBLIC INFORMATION</b>		
	Public Information and Promotional Services	5,000
Unanimously adopted		
<b>56-0134 RECREATION</b>		
	Recreation (Detroit Symphony)	100,000
Adopted as follows:		
Yeas — Council Member Browne, Eberhard, Henderson, Hood, Mahaffey, Rogell and President Levin — 7.		
Nays — Council Member Cleveland — 1.		
56-0134	Recreation (Summer Programs)	100,000
Unanimously adopted		
<b>72-0265 CITY CLERK</b>		
	Administration	22,143
Unanimously adopted		
72-0266	Citizens' Patrol Support	20,000
Unanimously adopted		
72-0267	City Council Committee	22,132
Unanimously adopted		
<b>74-0269 CITY COUNCIL</b>		
	City Legislative Functions (Contingencies)	25,000
Unanimously adopted		